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# Accidental ventures—A materialist reading of opportunity and entrepreneurial potential

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## KEYWORDS

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Materialism;  
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## Summary

Arguably, one of the unspoken philosophical bases of entrepreneurship studies is an unreflected metaphysical idealism, which can be seen in the way in which concepts such as “entrepreneurial potential” have been used in the field. Here, we critique this idealism by presenting a materialist reading of three unlikely entrepreneurial successes, and discuss how theorizing these could be improved by working with notions of arbitrariness, accidents, and “dumb luck”. The paper thus forms a philosophical critique of the field, and presents a recontextualization of how entrepreneurial potential, opportunity discovery, and success can be understood.

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## Introduction—a critique of entrepreneurial idealism

[F]or the materialist, the “openness” goes all the way down, that is, necessity is not the underlying universal law that secretly regulates the chaotic interplay of appearances—it is the “All” itself which is non-All, inconsistent, marked by an irreducible contingency. (Žižek, 2006, p. 79)

This paper will argue the following: Entrepreneurship does not necessarily have to rest on the assumption of an underlying “good idea” or “opportunity”, nor does the notion of essential and pre-existing potential need guide us in trying to understand entrepreneurial ventures. Rather, we will suggest that parts of this venturing sphere are fundamentally contingent, the possibilities arbitrary, and

the guiding logic can be that of dumb luck and surprising fortune. This not in order to dismiss entrepreneurs or to claim that there is no such thing as an opportunity, but rather to extend the possibility of a science of entrepreneurship and in order to challenge some preconceived philosophical notions in the field.

Traditionally, entrepreneurship has been understood as consisting primarily of intentional and goal-oriented action, with the archetypal idea being an act where the entrepreneurial agent can be idolized for its capacity to identify and act on an often ill-defined opportunity, so that the new venture is seen as springing from a more or less well-defined intent of the entrepreneur. More generally, we argue that the field of entrepreneurship studies is based on concepts such as “potential”, “opportunity”, and “discovery”, term which we argue are fundamentally idealistic, and that the unreflected use of these concepts has hindered the field intellectually.

We will in this paper deal with cases that do not fit into this model, and in doing so emphasize the role of accidents

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and arbitrariness in the development of an entrepreneurial venture. We do this not in order to create a model for improving success rates for budding businesses, but rather in order to better position the phenomenon of entrepreneurship in the economic nexus. Whereas early theorists such as Schumpeter and von Mises position the entrepreneur as a creator of order in an economy where informational asymmetries and inefficient utilization reigns, we wish to develop an argument regarding the vagaries of venturing, and discuss these phenomena without assuming that either entrepreneurship or strategic intent have to be seen as *fait accompli*.

Philosophically, idealism and materialism are ontological perspectives, presenting conflicting views on what the fundamental origin of things is. In simple terms, this conflict boils down to whether ideas or things “came first”, i.e. whether the origin of, e.g. our understanding of economy can be traced to an abstract idea born through a mental process, or to a set of existing conditions in the world. The “hard” version of materialism would, e.g. state that thoughts and concepts are always already generated by the neurological machine called the brain, and that we cannot refer back to anything that comes “before” the physical reality of the world. Extreme idealism would instead say that it is the act of thinking which gives the world its shape and meaning, and that there strictly speaking is nothing “before” thinking, that the physical reality is meaningless and empty before thinking and ideas enter the picture. Obviously, we will not here engage with this debate in its entirety (nor in the related discussion on monist versus dualist/pluralist ontologies), but instead use it to challenge these prevailing idealistic concepts in what we could refer to as the abstract metaphysics of entrepreneurship studies. By attempting a materialist reading of entrepreneurial potential we want to highlight the problems inherent in many of the abstract concepts used in contemporary theories of venturing, and also show how the materialist category of arbitrariness—i.e. there being no set ontological certainty due to the irreducible contingency of the world—can be deployed in the analysis of entrepreneurship. Succinctly put, our philosophical question could be put in the following form: Is there such as thing as an abstract opportunity?

A “softer” materialism would question the way in which the term “opportunity” in much of what is written on entrepreneurship appears to us as a metaphysical certainty that can then explain everything from how Enron made money of de-regulation to how a panhandler can find a good spot for begging. Such an understanding of the notion of opportunity implicitly states that opportunity is an ontological category, and that there is something that unites all kinds of opportunities, from prostitution to selling T-shirts to trading in derivatives. A materialist reading would state that all opportunities are in fact contingent, and that the fact that we can use the same term for all of them doesn’t necessarily mean that there is anything at all that unites them. In other words, whereas an idealist would say that opportunity is something pre-existing in the world, a materialist would say that this is simply a linguistic trick, and that the world is in fact completely contingent and does not, philosophically speaking, contain things such as “opportunities” until after the fact. This obviously does

not mean that there are no entrepreneurs, nor that people are capable of making money of things. Instead it is a critique of how we describe such happenings, and the value we place in abstract terms.

But why engage in such ontological critique? We will contend that a materialist perspective on entrepreneurial potential enables us to make better sense of cases where traditional explanations falter, specifically such where the original potential is inexplicable. For how can we theorize the cases where the original potential, from any analytical perspective, seems infinitely small—if success is actualizing potential? Our specific interest is in cases which seem to start off as jokes or silly amusements, and which slowly mutate into entrepreneurial ventures, with our ultimate interest being fitting these into an analytics of entrepreneurial venturing. By looking at cases where it makes little sense to say that they initially represented good or thought-through ideas, we wish to raise the issue of how the unexpected can be theorized, and working from an everyday life-view (cf. Hjort, Johansson, & Steyaert, 2003; Rehn & Taalas, 2004), we thus want to do an alternative reading of successful entrepreneurship which does not unnecessarily glorify that which it studies.

## On the theory of opportunity

The idea of opportunity has been described and presented in nearly every publication in the field of entrepreneurship, and it is therefore not our intention to provide a full overview in this paper. Rather, we want to extend the discussion upon the basis of what has previously been discussed. It is well known that as a technical term, “opportunity” was introduced into discussions of entrepreneurship in the Austrian school, by economists such as Ludwig von Mises. His follower Israel Kirzner acknowledges the world of imperfect knowledge and thus introduces a new role in the economy—a *decision-maker whose entire role arises out of his alertness hitherto unnoticed opportunities* (Kirzner, 1973, p. 39); and he continues to state that *All [the entrepreneur] needs is to discover where buyers have been paying too much and where sellers have been receiving too little* (p. 41). We could therefore from this perspective consider the entrepreneur as a decision-maker with an “alertness” to “discover” “opportunities”.

Fundamentally, all this might be traced back to the fact that the study of entrepreneurship was founded on the (often unreflected) philosophical idealism present in the seminal texts of the field, such as those of Joseph Schumpeter (1934, 1942, 1949), and that the somewhat murky ontology created in these has rarely been challenged. For instance, in the works of von Mises (see e.g. von Mises, 1998), the entrepreneur was to be regarded as a concept, as an imaginary agent used to isolate each productive function of the economy, rather than a human being. Von Mises actually suggested the term “promoter” to be used for non-imaginary entrepreneurs (i.e. individuals) in order to avoid confusion. In both cases, there was little interest in studying actualities, but instead champion the *idea* of entrepreneurship.

To make the problem maybe even too obvious: What is the ontological status of the opportunity e.g. Kirzner mentions?

Is this some metaphysical phenomenon, which cannot be operationalized except after the fact (with *ex post* rationalizations), or the name we give to a change in the world materialized by specific actions on the part of the entrepreneur? That is, if no entrepreneur would come along, would the opportunity still be there, as the ghostly presence of an idea? In a field that is often vehemently opposed to e.g. postmodern theorizations, it is interesting to note that one of the founding concepts might in fact be irreducibly relativistic.

Obviously, the abstract theorizing which started in the Austrian school was both desirable and necessary; but as the theory of entrepreneurship has radically shifted during the last decade, there is also a need to critically reflect on the philosophical basis upon which the field was founded. Despite having a long history, it was not until recently that the entrepreneur was accepted as an individual rather than a macro-economic concept introduced to explain imperfections in the market and how new markets came to be. What was an idea, an imaginary concept in the Austrian theories, has today become something partly but insufficiently embodied and embedded in the field of entrepreneurial research. This transition of using a macro-level concept for micro-level (individual) explanations is a slip we argue is harmful for the field.

This traditional understanding of entrepreneurship further postulates the world as containing potential that can be realized through the ideas and energies of the entrepreneur, positioning him/her as an almost godlike figure that can bring the new into the world. An entrepreneurial venture is thus seen as the realization of an idea, created by the entrepreneur (also originally an idea), and the success of this is seen as possibly partly contingent but never arbitrary. In other words, success has been seen as the "correct" realization of a "good idea", whereas failure has been understood as either a flaw in the idea or insufficient support from the milieu within which the idea is realized; and although things such as the capricious nature of success have been identified as playing a part in narratives of entrepreneurship (e.g. Ernst & Young & Erickson, 1997; Peabody, 2004), such elements have often been ignored in theorizing it, assumedly due to the perceived impossibility to fit these ephemeral phenomena into a theory of intentional action. What we see in the treatment of entrepreneurial activity is thus the paradox of both trusting the power of ideas and an unresolved and often suppressed belief in contingency, i.e. a conflict between idealism and materialism.

A way to describe this paradox is by way of analyzing how we normally think about success and failure. The way in which studies of entrepreneurship normally has treated this is fundamentally idealistic; success is a question of everything going "as planned", the idea being realized without (too many) hitches, if discussed at all (cf. Kirzner, 1997; Shane & Venkataraman, 2000). Failure, on the other hand, is usually seen as either a good idea subjected to the vagaries of the world or the idea itself being "not good enough". In both these cases, it is the notion of the entrepreneurial mind seeing the world as it could be, as better than it presently is, and realizing this vision through the power of his/her mind, which drives the conceptualization of venturing. Success would in such a conceptualization never be

arbitrary, but at most contingent on the possibility to realize an idea, which is perceived as pure.

Another way to illustrate this is by contrasting optimistic and analytical perspectives on entrepreneurial potential. The common perspective on potential is that it is ever-present (but present where?), that entrepreneurs bring this to fore—as manifest in, e.g. the works of Kirzner (1973, 1997) and his followers—and that the ontic nature of this potential is success, i.e. it is natural for this to be actualized as success. When we observe success, we thus observe the fact that the world contains germinal success that can be developed into actuality. This would mean that the non-actuality of failed venturing is seen as not being true to its potential, and that failure would, in fact, from an ontological perspective, be unnatural. In an optimistic mindset, any success is merely being true to potential ("Anyone can be an entrepreneur!"), and failure is a pathological state.

This effect of Kirznerian thinking was identified and criticized by Demsetz (1983) arguing that:

[I]f this is the essence of entrepreneurship, there is a more familiar name for it—luck. What is being described is the stumbling onto a profit possibility without any intent (that is, without any deliberate, focused investment of time, energy, or other resources). (p. 277)

More recently the entrepreneur have entered the scene as a social being (see Hjorth, 2003; Swedberg, 2000), someone with desires and human foibles rather than a technical concept or an economic phantasm. However, we argue that this shift has not yet been completed. Instead we, as researchers in the field of entrepreneurship, still struggle with a number of concepts of terms which was established during the last century, and there has been some progress made to move us away from this theoretical murkiness. New discussions, such as the discussion on effectuation (Sarasvathy, 2001) and the debate on whether the term opportunity could be seen as a social construction (Fletcher, 2006) are emerging, but one can ask whether these steps have been taken far enough. For instance Dew and Sarasvathy (2002) suggests that effectuation as an alternative narrative to the "discovery" process, suggesting that predictive decision-making processes under conditions of Knightian uncertainty is irrational:

The reconstitution of rationality into causal as well as effectual allows us to get off the old hobby-horses of luck (Demsetz, 1982); intuition (Christensen, 2000); alertness (Kirzner, 1973); insight (Rumelt, 1988); prescience (Melville, 1987); or any other explanation for entrepreneurial action that suggests entrepreneurs have knowledge of things before they exist or happen. These myths, usually fuelled by post-hoc rationalization by entrepreneurs themselves, are well overdue for debunking. (p. 27)

Yet while these perspectives soften the idea of opportunity by introducing alternative ways to look at the same, or introduce distinctions and/or explanations on how different individuals have different abilities to discover opportunities (cf. Shane, 2003; Shane & Venkataraman, 2000; Baron, 2004; Lumpkin et al., 2003 to name a few), they normally choose to build their argument upon the framework of

opportunity-discovery and seldom, if ever, challenge the framework and its idealistic foundation as such. While making claims about being more realistic as to how opportunities are found, they still cannot shake the idealistic notion of opportunity as pre-existing and eternal.

### On risk, luck and accident

The core of the concept of luck is the idea of things going well or ill for us due to conditions and circumstances that lie wholly beyond our cognitive or manipulative control. Luck pivots on incapacity. (Rescher, 1990, p. 7)

One might, based on our stated aims, ask why we do not start from a discussion on failure and risk, but this would be to misunderstand our very point. While the theory of risk, defined as a function of the probability of the desired outcome of a defined action, as being used within the field of economics is helpful in order to mitigate and manage risks, as well as identify trends and pattern on a larger scale, it does not work well as a tool to discuss the underlying reasons for these occurrences as one of its core assumptions is that it can be assessed, predicted and managed—even mathematically formalized. The concept is useful for describing macro-level patterns but less so when discussing individual action, specifically because it assumes that the operators that form the risk are knowable beforehand. Our not starting from this perspective is not a way to dismiss this important field of research, but to approach the concept from another perspective. In order to avoid confusion, we will start off our analysis not using the probability of risk but to use the notion of “dumb luck”. This specifically as it does not come with the conceptual baggage of “risk”, a concept that has been the subject of centuries of academic turf-wars, and because it relates to the experiences of actual and individual rather than abstract and ideal entrepreneurs.

Whereas the analysis of failure, which usually works through showing the manifold of ways through which contingencies in the world can hinder a project, i.e. that success can be thwarted in a number of ways, our strive is to show the opposite—how success can be an arbitrary and fortuitous outcome. Rather than arguing for failure as a case of “bad luck”, we like to argue for the existence of “dumb luck” in entrepreneurship.

This, however, requires an analysis of “luck”. The problem with luck, even though it is often deployed as a kind of shortcut-explanation, is that it is very difficult to treat conceptually. According to one interpretation, luck is merely a fallacy of everyday human thinking, we are one observes the normal variability of probabilities and tries to discern some underlying principle, i.e. where one tries to ascribe meaning to the arbitrary. I happen to win at a lottery, and rather than seeing this as a meaningless fluke, I see myself as having “luck”. I get a stomach flu on the eve of a really important presentation, and I blame my “bad luck”. In both cases, we have a case where something happens which has a low probability of doing so, but instead of seeing this as meaningless coincidence, we bring up “luck” in order to make it more meaningful to us. In other words, the use of the term can be seen as a fallacy in thinking (or, if we want to be precise about it, a way of sensemaking in the face of the complexities of probability).

At the same time, variations on the theme of luck are centrally positioned in the discourse of, e.g. entrepreneurship (cf. Barney, 1986; Ma, 2002). We talk of phenomena such as serendipity, fortuitous coincidence, “pure luck” and the likes, all the while ignoring this in the construction of our mental models with which entrepreneurship is to be understood.

A central issue here is the sensemaking process of entrepreneurship studies, or more precisely the question of perspective and symmetry. Obviously, many entrepreneurial ventures fail or are abandoned, whereas others succeed. Structurally and analytically these outcomes could be viewed as synonymous, i.e. their differences are contingent rather than absolute. Yet in research practice, we tend to portray failure as either somebody “doing the wrong thing” or as due to outside influences. Success, on the other hand, is portrayed as things going as they should, as the smooth functioning of the world. We often describe the struggle of the entrepreneur as a struggle filled with failures and setbacks on a general level. However, when we analyze actual (success story) cases we tend to implicitly argue that random outside influences have not affected the brilliant plan of the entrepreneur, suggesting a case of mind over matter. Even the currently popular notion of “fail forward, fail faster” can be understood as merely a way to incorporate failure in a way that would make it part of a grander, systemic success, thus going some ways towards a perfect idealist position where success, in the grand scheme of things, is inevitable—and failure merely a systemic part of this ideal success. In other words, there is an implicit tendency in entrepreneurship studies to position success and failure on an axis of things being more or less correct in the world, thus making the analytically dubious claim that success would be more true to the nature of entrepreneurship than failure, and at the same time introduce the idea rather than the physical world as the point of origination for a venture. This, to us, is an existing fallacy in entrepreneurial theorization, as it pre-qualifies success and questions failure—thus also skewing the way in which we can approach issues such as serendipity and fortuity.

A way to disentangle some of these issues might be to contrast the notions of risk and the accidental. If we look at the history of entrepreneurship studies, risk has been discussed over and over again. It is at the very heart of the writings of Cantillon and Jean Baptiste Say was inscribed by Knight (1921) as an entrepreneurial *sine qua non* in the enormously influential *Risk, Uncertainty and Profit*, and both Schumpeter and Kirzner take risk as a serious component in any understanding of entrepreneurship. Clearly, there is no lack of theorizing of risk in the field, but one can at the same time wonder how this should be understood. In all the aforementioned theories, as well as in entrepreneurship theory, risk is something that the entrepreneur handles—if with varying degrees of success. Risk *pre-exists*, as does the success of the venture. This success can be said to be already inferred in the notion of risk, i.e. risk can be understood as the contingency (but not the arbitrariness) that threatens the successful venture; and the entrepreneur handles the risk so as make the success, which is pre-supposed by the very notion of risk, come true.

But the notion of arbitrary happenstance is something else entirely. Take an unlikely case of a formerly popular

rock-star dying, thus driving the prices of T-shirts bearing the star's visage sky-high. Clearly, those finding themselves with a couple of thousand of such at the time of such a death cannot be described by saying that they took the risk of, e.g. Elvis dying on the commode or Kurt Cobain shooting his head off, yet in both cases somebody made a proverbial killing off a very literal death. This might then best be described as an accidental incident, somebody not discovering opportunity but rather having it thrust upon one. If one wants to ascribe prescience to the entrepreneur here, one should note that the case which drives the aforementioned T-shirt sales could be a number of things: A rock-star being caught in a homosexual tryst, making the T-shirt a camp statement, the rock-star making a fool of himself on national TV, making the shirt an ironic point, or the rock-star launching a surprising hit album, making him cool again. Can we seriously claim that the act of buying a bunch of cheap T-shirts is, on some metaphysical level, the recognition of an opportunity that did not exist when the entrepreneur acted? And which one of the four we describe is the opportunity that was recognized? Are entrepreneurship studies in effect claiming that entrepreneurs have paranormal skills of precognition? Or is it something much, much simpler? It is exactly this, which we might best describe by "dumb luck", a force both well-known, mysterious and seemingly indispensable to a lot of endeavors.

But if we now contrast the three different ways of understanding the contingent feature of venturing—risk, luck and accident—we can postulate some differences. Risk is tied to a preconceived notion of how entrepreneurship is supposed to function, where the end-state is thought to be both true *a priori* and ultimately knowable. Risk is in this way a fundamentally connected with philosophical idealism. Luck, on the other hand can be many things, but normally part of a magical way of thinking—a mode of explanation we take to when we do not wish to accept the arbitrariness of the universe. Such luck can also be seen as innate (something tied to a person, fetish or set of circumstances), or "dumb" and arbitrary. As Marquard (1991) writes:

I do not say that we are only our accidents. All I say is that we are not only our accomplishments, but also our accidents. (p. 6)

It is this last notion, which we want to argue, is lacking in entrepreneurial thinking, and which we also wish to call *the accidental*.

The accidental can appear both as dumb luck and as unforeseen failure, and is a concept which is properly part of a materialistic philosophy and thus a way to critique entrepreneurial idealism, owing to the fact that it does not make presuppositions about *a priori* knowledge. We shall now turn to three cases of the accidental in order to investigate this, after which we will discuss the need for a developed philosophy of entrepreneurship.

## The accidental entrepreneurs

In the following, we will review three cases of what we would like to call "accidental ventures". All of them share certain similarities: They are all started tongue-in-cheek, they are started by people who profess no real faith in their

ventures ultimate success and they all succeed against all reason. Although we, as academics, can of course construct explanations after the fact as to why they succeeded, our aim here is to treat them analytically, i.e. not to insert preconceived notions of potential into the cases. Rather, we would argue that all three of these represent cases where we start off from a position most people would not find very serious (indeed, most might find them silly), and that the success of the ventures cannot be explained in a satisfactory way through the common tropes of "opportunity" or "potential". Instead, these cases might be said to have succeeded despite themselves, and thus pose a challenge to the usual confidence in providence inherent in entrepreneurship studies.

### Case 1. HotOrNot.com

Founded in October 2000, this venture started life as a web-page which allowed users to upload pictures of themselves and have them rated based on their looks, by other visitors. In short: Allowing people to decide whether you are hot, or not. When the site was launched it consisted of three pages. One where you could submit your own picture, one where people could vote on a random picture and finally one where you could see what rating you have.

One late Tuesday afternoon, Jim mentioned to my brother Tony and I that he thought a girl we recently met was a perfect 10. Meanwhile, I was drinking. Ever hang out with your friends drinking and come up with a totally crazy idea based on something someone said? Well, that's exactly what happened. (Hong, 2006)

This legendary evening took place on October 3rd 2000. Jim Young and James Hong had some time on their hands, and just a few days later, the site was launched and within a week the site was getting almost 2 million page-views a day. The launch consisted of putting up the web-page and mailing a few of their friends, who told their friends, from where on the whole thing simply avalanched. At the end of November they made it into the Nielsen top-25 list of advertising-worthy sites. Even today, 5 years later, the site is still one of the 500 most visited sites on the Internet.

On October 10, a mere few days after the idea was born, Janelle Brown wrote a review of the site for Salon.com.

It's indescribably horrible... and yet utterly addictive. As picture after picture whips before you, you can mercilessly savage the egos of perfect strangers. Bad hair? Give 'em a 2. Needs a shave? A 4. Cute, but could use a trip to the gym? Maybe a 5. (Brown, 2000)

Since then the site has been featured in nearly every major newspaper, as well as on countless web-sites, discussion-forums *et cetera*. The founders are still running the site, keeping to a home-grown, not-quite-professional image. A number of features have been added, most prominently the dating-service, where two people having their pictures on the site, who independently rate each other as dateable, gets informed that they are a double-match.

The founders are reluctant to give any specifics of how much revenue the site is generating, as they are struggling to keep up the profile of a site managed by two roommates

from a college dorm. However, some conclusions can be drawn from what has been stated about the site. During last year they sold over 100,000 virtual flowers, they have claimed to have over 1 million registered users, tens of thousands paying \$6 each month for premium membership. They have passed the 2 billion mark when it comes to HotOrNot-ratings. And yes, one of the founders drives a Porsche.

This enterprise has obviously been a huge success, but the site could have been shut down early on. As Hong said in an interview in USA Today:

We never intended or even tried to have the company make money, says Hong, who has a master's degree in business administration. We are accidental businessmen who almost shut down the site because it cost too much. (Kornblum, 2003)

The website is not only one of the few early contenders which survived the bust of the dot-com bubble, but is and has been profitable for a long time. The venture was started and developed with no venture capital, and without any previous business experience. It was, on the whole, started as a prank by two engineering students having an argument about whether a girl was hot or not.

#### Case 2. Save Karyn—Help her pay off her credit card debt!

My name is Karyn, I'm really nice, and I'm asking for your help! Bottom line is that I have this huge credit card debt and I need \$20,000 to pay it off. All I need is \$1 from 20,000 people, or \$2 from 10,000 people, or \$5 from 4,000 people—you get the picture. So if you have an extra buck or two, please send it my way! Together we can banish credit card debt from my life! [...]

What's in it for you, you ask?

It's normal that one should ask this question. I'll be honest... nothing is really in it for you. But I do believe in Karma. If you help me, then someday someone might help you when you need it. SO HELP ME, and maybe someday, I'll be able to help you. (Bosnak, 2004)

In May 2000, Karyn Bosnak, aged 27, left Illinois where she was born, raised and had gone to school, and headed for New York. Having been there once before as well as having and intimate knowledge of *Friends* and *Seinfeld*, she felt that this was the right place for her to build a life of her own.

Working as a television producer she quickly grew accustomed to a lifestyle similar to the ways as seen on TV. Gucci-purses and \$300 haircuts became normal accouterments, and her credit card was on fire. Soon she was unable to keep up with the payments, and using a technique of rolling debt in front of her she managed to owe a grand total of \$25,185. Then she lost her job.

One day, when she had almost given up finding a new job, struggling for reasons to actually get out of bed in the morning her roommate said, *You could always just hang up a sign, and described a sign he just saw in the grocery store I need \$7000. If you can help me, let me know. I just need seven grand. Shaking the idea off, Yeah, right. That couldn't possibly work. No one would just give me \$20,000*, she hit the shower and forgot all about it. (Bosnak, 2004, p. 285)

Later, however, she decided to make her sign. But instead of hanging it in the grocery store, she decided to use the Internet. While searching for jobs she had found the site Craigslist.org where she posted the message. The next morning she had 12 new emails waiting for her. Most of them nonsense or unseemly offers, a few of them actually asked where they should send the money.

So she built a home-page, [www.savekaryn.com](http://www.savekaryn.com), using a step-by-step website-building wizard, and hired a P.O. box where letters with donations could be sent. She put up her pledge, a list of funny mails she received, the daily buck—with anecdotes on how she tried to save money each day—and a progress-page detailing the donations she received.

I thought about my website as I worked all day. Yes, I made five bucks. But did I really think it would work? Not really. [...]

To me it was a joke. It was funny. It was kind of fun to poke fun at myself and the cheap-ass life that I was now living. (Bosnak, 2004, p. 332)

Thanks to the style of her writing and the viral nature of the Internet, the message spread, and soon she became a net phenomenon. Media started paying attention to the site and after a few days she was finding herself doing media interview after interview. Explaining her story on radio in several countries, getting linked from sites such as USAToday.com was quite a chock for Karyn. Eventually, it all escalated into TV-appearances and it all kept on rolling and 20 weeks after initially posting the letter on Craigslist.org and putting up her homepage she was out of debt. In the end she received cash from 2718 people, in total amount of \$13,323.08 (the rest was gained from her own work and eBay auctions). She also received all sorts of other things, gift baskets, beauty products, clothes, etc. She had over 2 million hits on her homepage and got around 37,000 e-mails.

Being a journalist, the project led to a book and a movie deal, and she has continued to write books since, back at Starbucks drinking that same latte which once helped to build her debt.

#### Case 3. The Million Dollar Homepage—A \$1 million Web idea, one pixel at a time

So I had this little idea the other day. I was trying to think of interesting ways to make some cash before going to Uni (which is in about a month's time) and somehow this crazy thought entered my head: I'll try and make a million dollars, by selling 1,000,000 pixels, for \$1 each. [...] I've got nothing to lose by trying. And I'm sure it'll be fun. (Tew, 2005, first blog entry)

The story of the Million Dollar Homepage begins and ends with one single person—Alex Tew. Alex is the youngest of three brothers, living in a small town in Wiltshire, England. At the age of 21 he was planning to attend university, studying management. His account was overdrawn to begin with, so he was trying to find a way to earn some money and avoid leaving university with a huge debt.

When trying to find a way to earn enough money he created the concept of "The Million Dollar Homepage". The idea was to create a single web page consisting of a grid of 1000 × 1000 pixels (totaling 1 million) Each pixel would be

sold to an advertiser for \$1, in blocks of  $10 \times 10$  pixels (minimum order \$100) where they could place their logo and have it linked to a homepage. The more popular the site became, the more value for the advertisers.

Wow! Today I sold my first pixels: 400 of them. That's \$400. The easiest money I've ever made!

Basically, I spent the entire weekend e-mailing [pestering] everybody I know, telling them to check out the site, to tell me what they think of it, and more importantly, to tell their rich friends. So, despite most people thinking I was nutcase, a-friend-of-a-friend-of-a-friend (who runs an online music site) decided it was worth a punt and bought a  $20 \times 20$  square on the homepage. Awesome. (Tew, 2005, early blog-entry)

The idea came to him in August 2005, a few days later the site went public, after investing around \$75 in the domain-name and a simple web hosting account. Two months after his initial release, he hit the half-million mark. After four months—he was a millionaire.

The media buzz around this project is impressive, and during the process he actually had to hire a press-agent to manage media relations and a PR-tour. He has been featured in most major newspapers all over the world; he has been interviewed on several major networks. Alex did begin his university studies, in business management, while writing on a book describing his project. Still trying to realize what happened during the last few months and working on new ideas he in January 2006 has deferred his place.

Even though the idea might seem far from accidental, it all started with a crazy idea which nobody really thought could work, one so simple that most people who hear about it get jealous that they did not think of it first. Some think that it just might work a second time, so the site has spawned over 1000 copycat sites. Almost all of these have failed miserably.

## Towards a materialistic reading of entrepreneurship

It should be noted that all three of our cases are ventures that took place on the Internet. One could question whether this is adequate basis for stating something more general about entrepreneurship, but as we are merely trying to exemplify cases where the usual explanatory notions of opportunity and potential seem insufficient, we feel they pose interesting questions. The reason for this is not that we believe that this is the only scene where such things may occur, but simply that entrepreneurship on the Internet has global visibility, enabling us to study what is otherwise hard to find. Locating a T-shirt selling entrepreneur who profited from the death of a rock-star, the man who got rich by accidentally filming the Kennedy murder, or the local tourist-agency profiting from the tourist-boom in Kazakhstan due to the fact that Sasha Baron Cohen made a parody movie supposedly describing the country (while actually filming in Romania) would have been possible, but a much greater challenge. And although it may be true that the Internet is more fertile grounds for experiments such as these, this is not a difference of quality (and we must further be sensitive

to the fact that the internet is a technological construct, and thus ontologically contingent).

The purpose of these cases is not to say that all possible entrepreneurs arise from the accidental, but to illustrate that there exists scenarios where prevailing theories of opportunity do not provide satisfying means of description and explanation. It is our belief that cases such as the ones presented cannot be addressed by theories of entrepreneurship founded on a strict idealism, as there is little in these cases that could be explained by using concepts such as opportunity or potential. Instead, we propose the need for a materialistic reading of entrepreneurship as an analytical counter-point.

While we cannot be completely certain of the initial intentions in our cases, they obviously hinge on an idea, which might seem the sort of thing, which would invalidate our critique of idealism, but our contention was never to say that ideas are not part of entrepreneurship. Instead, we wanted to point to how very unlikely, even to their progenitors, these ideas were—and how arbitrary their success. HotOrNot.com was launched as the result of a night in a bar, and not as a business venture but as a bet and for amusement. Karyn posted her stories not as a strategy, but as an away-to-poke fun at herself.

We also want to note how difficult these successes are to explain within the traditional framework adopted by entrepreneurship studies. If we, for instance, take two of the most quoted theorists in this field, Kirzner (1997) and Shane (2003), both argue that entrepreneurship is about discovering opportunities, and both implicitly and explicitly argue that such can be found by discovering unfulfilled needs, some kind of absence in the economy. Kirzner also forcefully argues that existing explanations for entrepreneurship are incomplete, because they do not adequately address the process of opportunity discovery. At the same time, it is hard argue that there existed a "lack" in the economy creating the unrealized need for a homepage asking for breast-enlargement donations (as one of Karyn's copycats did) or to have people visit a homepage only consisting of advertisements (like themilliondollarhomepage.com). In other words, our cases are not examples of the Schumpeterian "creative destruction" of imbalance and the search back to balance, nor cases of discovering Kirznerian opportunities waiting to be fulfilled/rectified by an active entrepreneur. Instead, they are something like enigmas or puzzles: "How the hell could *this* be a source of entrepreneurial potential?" It is a challenge to statements such as:

To have entrepreneurship, you must first have entrepreneurial opportunities. Entrepreneurial opportunities are those situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production. (Casson, 1982)

There has traditionally in the field of entrepreneurship existed an understanding that entrepreneurial opportunities exists both as dependent and independent of the entrepreneur and the event, with the individual in a sense discovering opportunities simultaneously as ideas and as states in the world. The opportunities are assumed to simply exist (without any real clarity as to what this would mean),

and become realized as ideas in the mind of the entrepreneur. The exact ontological status of said opportunities has never truly been probed, in great part due to the underlying idealism of the field and a subconscious adherence to idealistic philosophy. Opportunities simply exist, as abstract phenomena which can be materially realized by being processed through the thinking subject of an entrepreneur—something like an alchemy of ideas that researchers in entrepreneurs are only too happy to keep faith in. But through a classic kind of externalization, entrepreneurship studies has then isolated all this into an *objet petit a* (Žižek, 1992, 2006; cf. Jones & Spicer, 2005), an object of desire that is never fully attainable and which remains an idea of ideas. Our cases do not show anything like opportunities pre-existing in the world, and our contention is that trying to re-interpret these in a manner which would introduce such opportunity *a posteriori* would amount to nothing more than metaphysical sophistry. If we compare with Shane (2000, 2001), his argument is that different sets of information leads to different forms of opportunity discovery, and thus to differing potential between entrepreneurs. He is in part moving towards a materialist account by stating that arbitrary differences in information can lead entrepreneur down completely different paths of discovery. This, however, fails to take into account the possibility of completely and utterly random, accidental ventures. Shane's logic hinges on there always being what we could call a minimum potential (or *objet petit a*) always already present, whether this is an invention or a market, making it impossible to deal convincingly with arbitrary cases such as those above within his framework. This flaw in the theories of entrepreneurship is what we propose needs to be addressed, and our contention is that it can only be properly dealt with by juxtaposing the philosophical differences between idealism and materialism.

As an analytical counter-point, a materialist reading would assume no such *a priori* metaphysical nature, but instead view potential as arbitrary or even non-existing before realized. Instead of judging failed and successful ventures as differently enacted potential, with the latter still implicitly treated as the form which is more true to the nature of said potential, such an analytic perspective would view both as equally valid. Success and failure would be viewed as end-results of an arbitrary process, so that there would in fact be no way to judge the starting point beforehand in a way that enables one to state that the result is a correct enactment of the potential. This would be the perspective of dialectical materialism as "rehabilitated" by Žižek (2006), where the search for a source of sources will always be in vain, and also in part a continuation of the project outlined in the work of Jones and Spicer (2005).

## Discussion/conclusion

One could of course argue that we are engaging in a sort of flippant one-upmanship, and that we have dragged out a series of marginal and irrelevant cases merely to tweak the nose of established theory, but this would ignore the fact that we are in fact attempting to come to grips with an existing phenomenon. By presenting cases that at

first might seem extreme and odd we strive to show that we as a field must accept and take into consideration even the more frivolous and accidental elements of entrepreneurship, and that these elements may also be present in more "serious" ventures. It also allows us to question several of the fundamental precepts in existing theories of entrepreneurship.

The founders of HotOrNot.com almost shut down their website as they saw no business in it. Karyn launched her homepage without a way to actually send her any money. Whereas the idealistic notion of entrepreneurship argues that the discovery of opportunity leads to entrepreneurial action, our cases present discovery coming not before action but after, rendering the theory of opportunity leading to exploitation at least partly flawed. Whereas the idealistic notion of entrepreneurship views success and failure as primarily stemming from whether the originating idea or discovery was good or not, our cases show that fundamentally silly ideas can be as successful as well thought-out ones, again casting doubt on the rationalistic idealism of most theories of the entrepreneurial. Following these successes—as well as other ideas that existed without a business model for years after initial conception (such as the by now moderately successful company known as Google)—we can see a number of (mostly but not exclusively Internet-based) ventures appearing and disappearing. Some star as ventures, others as amusements. Some become businesses, others do not.

Taking a cue from the German philosopher Sloterdijk (1988), we would propose that much of the theorizing of entrepreneurial ventures is done in a mode one could call "cynical reason". Rather than struggling under the blanket of a false consciousness, researchers of entrepreneurship seem to quite willfully ignore the parts of entrepreneurship that in fact operate under conditions of total arbitrariness even though the notion of luck is well-known and even celebrated by writers in the field—completing Sloterdijk's famous dictum of cynical reason: "They know very well what they are doing, but still, they are doing it".

Our counter-point to this would be to adopt a materialistic perspective, and instead of assuming causal and rational patterns in the world accept that there is no reason of reasons, and that the accidental is a part of human and social life. By not assuming that we have to look for things such as "opportunity" or "potential" in our cases—at least not in a fixed, abstract form—we are free to examine them without imposing a set framework. We do not need to assume a brilliant opportunity cunningly identified or a potential smartly capitalized upon, but can instead read the cases as random attempts made good despite themselves or as surprising successes that we might not even be able to "explain" in the traditional form such have taken in entrepreneurship studies. This, then, could also free us to introduce new concepts into the theorizing of such ventures, and further help us battle the inherent moralizations of the field. Entrepreneurship theory has, time and time again, shown us accidental entrepreneurs, yet we are still curiously wedded to "opportunity" and "potential", and reading the field one is sometimes struck by the fact that we may out of conceptual parsimony ascribe opportunity where other concepts would be analytically more apt. As Marquard (1991) writes:

So we have to be able to bear what is accidental, because living with what is accidental is not a result of failing to reach the absolute, but it is our historically normal condition. (p. 6)

Our goal with this paper is to initiate a recontextualization of entrepreneurship, which does not assume that all human action is intended, wherefore it should not be analyzed as such. We need to find a way to study entrepreneurship without the conception that action originates in potential or opportunity—or that these would even exist in an abstract form.

A final point shall serve as our conclusion: One of the reasons entrepreneurship studies has been wedded to an idealistic philosophy is the fact that the field is still inherently moralistic (cf. Rehn & Taalas, 2004), and needs notions such as “opportunity discovery” to reinforce the notion of the entrepreneur as an unquestionable force of good in society. As the field to a great extent is institutionally dependent on upholding a specific image of entrepreneurship, idealism serves its purposes well, purifying much of the muddled reality of venturing and hiding it behind a sheen of assumed purposes and reason. Our materialistic reading does not afford the same kind of lofty praise on the entrepreneur, but might prove to be somewhat more analytic. Obviously, this paper is at best the opening up of such a discussion, as we have not offered any new taxonomies or new models. Our aim has simply been to point to ways in which theorization could be developed, and some of the philosophical issues remaining in trying to create a stringent theory of entrepreneurship.

In this vein we can end by empirically stating that sometimes, dumb stuff works. Sometimes, you just need to get lucky. Sometimes, it is impossible to know why some things work, and other things do not. Sometimes, it is just accidental. And why not?

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